



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 3, 2000

Raptor Resources, Inc.
901 Rio Grande
Austin, Texas 78701
Attention: Bill R. Keathly

***Reinstatement of Division
Administrative Order NSP-183 (SD)***

Dear Mr. Keathly:

Reference is made to the following: (i) your two applications dated December 12, 1999 that are both erroneously entitled "*Applications for Unorthodox Gas Well Locations and Simultaneous Dedication*"; (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the file on Division Administrative Order NSP-183; (iii) the two Division directives dated December 22, 1999 and January 5, 2000; (iv) the Division's "*NOTICE*" to all operators in the Jalmat Pool dated January 11, 2000; and (v) the Division Director's "*MEMORANDUM*" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor Resources, Inc.'s ("Raptor") requests to:

- (1) essentially reinstate a previously approved non-standard 160.14-acre gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico; and
- (2) have this acreage rededicated to the existing:
 - (a) State 157 "G" Well No. 2 (API No. 30-025-08787), located at a standard gas well location for this GPU 1980 feet from the North and East lines (Unit G) of Section 5; and
 - (b) State 157 "G" Well No. 4 (API No. 30-025-08790), located at a standard gas well location for this GPU 990 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of Section 5.

By Division Administrative Order NSP-183, dated September 2, 1955, this 160.14-acre GPU was initially established by the Division for Sinclair Oil and Gas Company and was dedicated to its State 157 "G" Well No. 1-A, later renumbered 1-Y, located at a standard gas well location 1980 feet

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from the North line and 810 feet from the East line (Unit H) of Section 5. Division records indicate that this well ceased producing in 1964 and was eventually plugged and abandoned in 1975. In 1965 Sinclair rededicated this acreage to its State 157 "G" Well No. 3, located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 5. This well ceased producing in 1970 and was eventually plugged and abandoned in 1976.

It is our understanding that both the State 157 "G" Wells No. 2 and 4 are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of **Rule 2 (d)** of the *AGeneral Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2), the above-described 160.14-acre non-standard GPU should be restored and that Division Administrative Order NSP-183 shall be reinstated to its initial extent and is to remain in full force and affect until further notice. Also, Raptor is hereby permitted to produce the allowable assigned the subject GPU in accordance with Rule 5 of the Jalmat special pool rules based upon a unit size of 160.14 acres from the State 157 "G" Wells No. 2 and 4 in any proportion.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe
File: NSP-114
NSP-183